



## Rural Development Programs

for

## Community and Economic Development

[www.rurdev.usda.gov](http://www.rurdev.usda.gov)

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## Rural Housing [www.rurdev.usda.gov/rhs/index.html](http://www.rurdev.usda.gov/rhs/index.html)

Program	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
<a href="#">Single Family Home Ownership Direct Loans</a>	Safe, well-built, affordable homes for rural Americans.	Families and individuals apply to Rural Development.	Buy, build, improve, repair or rehabilitate rural homes as the applicant's permanent residence.	Rural areas with populations of 20,000 or less.	Direct loan	Up to 100% of market value or cost, whichever is less. Loan amortized for 33/38 years. Applicant may be eligible for payment assistance (subsidy) on the loan.
<a href="#">Single Family Home Ownership Direct Repair Loans and Grants</a>	To help very-low income applicants remove health and safety hazards or repair their homes.	Families and individuals who currently own their home apply to Rural Development.	Loan and grant purposes include: repair/replace roofs, winterizing, purchase or repair of heating system, structural repair, water/sewage connect fees, and similar uses.	Rural areas with populations of 20,000 or less.	Direct loan and grant	Loan terms to 20 years at 1%. Assistance to individual may not exceed \$20,000. Grants only available to very-low income applicants 62 years or older who cannot afford to pay 1% loan.
<a href="#">Single Family Home Ownership Guaranteed Loans</a>	Assist eligible applicants in buying their homes by guaranteeing private lenders' loans.	Families and individuals apply to lender.	Loans may be made to purchase new or existing homes.	Rural areas with populations of 20,000 or less.	Loan guarantee	30 year, fixed rate. Interest rate negotiated between lender and borrower. Loans to 100 % of market value.
<a href="#">Mutual Self-Help Home Ownership Loans</a>	Individual homes built by a group of applicants, with construction guidance of a non-profit organization.	Families and individuals apply to Rural Development.	Loan applications are processed on an individual basis for each participating family.	Rural areas with populations of 20,000 or less.	Direct loan	The individual families receive a direct loan from Rural Development. The non-profit housing organization gets grant to hire a supervisor and pay other administrative expenses.
<a href="#">Mutual Self-Help Housing Grants</a>	Assist lower income families in building their own homes.	Nonprofits and Public Bodies.	Technical assistance to qualify and supervise small groups of families to build each other's homes.	Rural areas with populations of 20,000 or less.	Grant	Grant Agreement.
<a href="#">Rental Housing for Families and Elderly Direct Loans and Loan Guarantees</a>	Safe, well-built affordable rental housing for very low income individuals and families.	Individuals, limit profit and non-profit organizations. For guarantees, apply to intermediary lender; for direct, apply to Rural Development.	New construction or substantial rehabilitation of rental housing.	Rural areas with populations of 20,000 or less.	Direct loan or loan guarantee.	Up to 100% of total development cost (non-profits) ; 97% (for profit) 30 year term with up to 50 year amortization. 95% of total development costs (for profit organizations) with Low-Income Housing Tax Credits.
<a href="#">Housing Preservation Grants</a>	Repair and rehabilitate housing owned or occupied by very low and low income rural families.	Public bodies and non-profit organizations apply to Rural Development.	Operate a program which finances repair and rehabilitation activities for single family and small rental properties.	Rural areas with populations of 20,000 or less.	Grant	Grant Agreement.
<a href="#">Community Facilities Programs</a>	Provide essential community facilities for rural communities.	Public bodies and non-profit organizations, and Indian tribes. Apply to Rural Development.	To build facilities and purchase equipment for fire and rescue, telecommunications, schools, libraries, hospitals, etc.	Rural areas with populations of 20,000 or less.	Direct loan or loan guarantee Grant.	Up to 100% of market value Up to 40 years or life of security Maximum grant 75% of project cost.
<a href="#">Farm Labor Housing</a>	Safe, well-built affordable rental housing for farm workers.	Individuals, public and private non-profit organizations apply to Rural Development.	New construction or substantial rehabilitation of rental housing.	None	Direct loan and grant.	Up to 102% of total development cost. Up to 33 years to repay @ 1% interest.

*Direct Loans and Grants - Apply to Rural Development    Loan Guarantees - Apply to Intermediary (approved banks, mortgage companies)*

## Rural Business [www.rurdev.usda.gov/rbs/index.html](http://www.rurdev.usda.gov/rbs/index.html)

Program	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
Business and Industry Guarantee Loans	Create jobs and stimulate rural economies by providing financial backing for rural businesses.	Business applies through Federal or State Chartered banks, credit unions, savings & loan associations.	Most legal business purposes except production agriculture Acquisition, start-up and expansion of businesses that create rural employment.	All areas except cities of more than 50,000 and their contiguous and adjacent urbanized area.	Loan guarantee	Lender and borrower negotiate terms Interest rate tied to published rate that may change no more often than quarterly.
Rural Business Enterprise Grants	Finance and facilitate the development of small and emerging private business enterprises.	Public bodies; private nonprofit corporations and federally recognized Native American tribal groups apply to Rural Development.	Buy and develop land, construct buildings, plants, equipment, access streets and roads, parking areas, utility and service extensions, rural distance learning networks, and establish a revolving loan.	All areas except cities of more than 50,000 and their contiguous and adjacent urban or urbanizing areas.	Grant	When grant funds are used for revolving loan fund (RLF) the intermediary makes loans to businesses from its RLF on terms consistent with security offered.
Intermediary Relending Program Loans	Finance business facilities and community development projects in rural areas.	Public bodies, nonprofit corporations, Native American tribes, and cooperatives apply to Rural Development.	Community development projects, establishment or expansion of businesses, creation or saving rural jobs.	Rural areas and incorporated places with populations of less than 25,000.	Direct loan	The intermediary makes loans to businesses from its revolving loan fund on terms consistent with security offered. Intermediary pays 1% for 30 years.
Rural Economic Development Loans and Grants	Finance economic development and job creation in rural areas.	RUS financed electric and telephone utilities apply to Rural Development.	Business startup or expansion projects that create rural jobs.	Rural areas and places with populations of 2,500 or less.	Direct loan and revolving loan fund grant.	The intermediary, electric or telephone utilities, make loans to profit or non-profit business and public bodies for rural economic development and/or job creation projects. Loans are 0% for 10 years.
Rural Cooperative Development Grants	Establish and operate centers for cooperative development to improve the economic condition of rural areas through the development of new cooperatives and improving operations of existing cooperatives.	Nonprofit corporations and institutions of higher education apply directly to Rural Development National Office.	Establish operating centers for development of rural cooperatives.	All areas.	Grant	Applicants must meet specific selection criteria including a minimum 25 percent fund match. Grants are awarded on a competitive basis. Some funds reserved for applicants that focus on assistance to small, minority producers through their cooperative businesses (governing board or membership at least 75 percent minority).
Value-Added Agricultural Product Market Development Grant Program	To assist independent agricultural producers enter into value-added activities.	Independent producers, farmer and rancher cooperatives, agricultural producer groups, and majority-controlled producer-based business ventures can apply to Rural Development State Office.	Funds can be used for planning purposes such as conducting feasibility studies or feasibility business plans or it can be used as working capital to help start the operations of a venture.	All areas	Grant	Applicants must meet specific selection criteria. Grants are awarded on a competitive basis. Funds cannot be used to build facilities or purchase equipment. There is a dollar for dollar matching requirement.
Rural Business Opportunity Grant	Finance technical assistance for business development planning in rural areas.	Public bodies, non-profit corporations, Indian tribes on Federal or state reservations and cooperatives with members that are primarily rural residents.	Technical assistance, leadership training, establish business support centers, economic development plans.	All areas except cities of more than 50,000 and their contiguous and adjacent urbanized area.	Grant	Must be completed within two years after project has begun.

*Direct Loans and Grants - Apply to Rural Development    Loan Guarantees - Apply to Intermediary (approved banks, credit unions, etc)*

## Rural Infrastructure [www.rurdev.usda.gov/rus/index.html](http://www.rurdev.usda.gov/rus/index.html)

Program	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
Water and Waste Disposal Loans and Grants	Providing infrastructure for rural areas.	Public entities, tribes and non-profit corporations apply to Rural Development.	Build, repair, improve public water systems, and waste collection and treatment systems, and other related costs.	Rural areas, cities, and towns with up to 10,000 population.	Direct loan and grant.	Interest rates are set quarterly based on an index of current market yields for municipal obligations. Repayment period is a maximum of 40 years. Grant funds may be available.
Water and Waste Disposal Loan Guarantees	Providing infrastructure for rural areas.	Public entities, tribes and non-profit corporations apply to Rural Development.	Construct, repair, modify, expand, improve water supply and distribution systems, and waste collection and treatment systems, and other related costs.	Rural areas, cities, and towns with up to 10,000 population.	Loan guarantee.	Eligible lenders obtain up to a 90% guarantee for loans made and serviced by them. Lenders should contact Rural Development Area or State Office.
Solid Waste Management Grants	Provide technical assistance and/or training to help communities reduce the solid waste stream.	Non-profit organizations and public bodies. Apply to Rural Development.	Provide technical assistance and training to reduce pollution of water resources and improve management of solid waste facilities, reduction of solid waste in streams.	Rural areas, cities and towns with up to 10,000 population.	Grant	Projects funded based on selection at National Level – applications are accepted from October 1 <sup>st</sup> to December 31 <sup>st</sup> of each year.
Electric and Telecommunication	Provide financial aid through direct and guaranteed loans.	Non-profit and cooperative associations, public bodies and other utilities. Contact USDA-RUS Administrator, STOP 1510, 1400 Independence Ave. SW, Washington, DC 20250-1510.	Generation, bulk transmission facilities and distribution of electric power. Enhance 911 emergency service, digital switching equipment, fiber optic cable along with traditional main system, telecommunication service.	Rural areas	Direct loan or loan guarantee.	Interest rates are established in accordance with 7CFR 17145.
Rural Broadband Loan and Loan Guarantee	The deployment of broadband service to eligible rural communities.	Legally organized entities providing or proposing to provide broadband service in eligible rural communities. Cannot serve more than 2% of the telephone subscriber lines installed in the U.S.	The construction, acquisition, and improvement of broadband transmission facilities and equipment; land and buildings used in providing broadband service; and the refinancing of Telecommunications Program debt.	Eligible rural communities with a population of 20,000 inhabitants or less. The community cannot be located in a standard metropolitan statistical area.	Direct loans and loan guarantees.	Loans are made at the Treasury rate of interest at the time of the advance for a period equal to expected composite economic life of the assets financed. Loans are guaranteed at the interest rate set by the private lender for no more than 80% of the principal amount.
Distance Learning and Telemedicine	Development and deployment of advanced telecommunication services throughout rural America.	An incorporated entity, including a municipal corporation or a for-profit or not for profit basis, which operates Rural schools, libraries, health care clinics and other organizations that operate educational or health care facilities.	Equipment for classrooms: cameras, videomonitors computers and LAN; and for physician consultation, radiology, x-ray scanners and digital microscopes.	Rural areas	Direct loan and/or grant.	Matching funds are required.

*Direct Loans and Grants - Apply to Rural Development    Loan Guarantees - Apply to Intermediary (eligible banks, etc)*

## Summary of Program Purposes

Revised -- July 8, 2003

	Land & Building	Mach. & Equip.	Working Capital	Infrastructure	Train/ Tech.
<b>RURAL HOUSING</b>					
Single Family Housing - Direct loan	•				
Single Family Housing - Guaranteed loan	•				
Single Family Housing Repair - Loan/grant	•				
Rural rental housing - Guaranteed loan	•			•	
Rural rental housing - Direct loan	•			•	
Farm labor housing - Loan/grant	•			•	
Community facilities - Direct loan/grant	•	•	•	•	
Community facilities - Guaranteed loan	•	•	•	•	
Housing preservation –Grant	•	•	•	•	•
<b>RURAL BUSINESS</b>					
Business & Industry - Guaranteed loan	•	•	•	•	
Rural Business Enterprise Grant	•	•	•	•	•
Intermediary Relending – Loan	•	•	•	•	
Rural Economic Development Loan and Grant	•	•	•	•	•
Rural Cooperative Development Grant				•	•
Value-Added Agricultural Product Market Dev Grant			•	•	•
Rural Business Opportunity Grant					•
<b>RURAL INFRASTRUCTURE</b>					
Water and sewer - Loan/grant	•	•	•	•	
Water and sewer - Guaranteed loan	•	•	•	•	
Solid waste management grant					•
Electric and Telecommunications – Direct/Guar Loan	•	•		•	
Rural Broadband Loan and Loan Guarantee	•	•		•	
Distance Learning & Telemedicine - Loan/grant		•		•	

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